

# **Instructions for Completing the 2004 Campaign Finance Reporting Form (Privately Financed Legislative and County Candidates)**

## *How to File Paper Reports*

The Commission must receive at its office the *original* report signed by both the candidate and treasurer by 5:00 p.m. on the filing deadline, except in two circumstances. A report may be faxed to the Commission office at (207) 287-6775 by 5:00 p.m. on the deadline, provided that the original report is received by the Commission within five calendar days. A report that has been mailed to the Commission by certified or registered mail and is postmarked at least two days before the filing deadline will not be considered late, even if it is received after the deadline.

## *Keep Copies of Your Reports*

When you have completed and signed a report, please make a copy for your records. You will need it when filling out your next report.

## *Late Reports*

State law imposes significant penalties for filing late reports. Please see the Frequently Asked Questions section (FAQ) at the back of these instructions for more information on the Commission's penalty process. A report that does not substantially conform to the requirements of the Election Law will not be considered timely.

## *Policy on Incomplete Reports*

If certain information is omitted from a report but the report substantially conforms to the legal requirements, the report will be considered timely but incomplete. According to Chapter 1, Section 3(2) of the Commission's Rules, the agency will send a letter requesting that the missing information be supplied within 15 days. If the information is not provided, the matter will be placed on the agenda of the next Commission meeting. No civil penalty will be assessed.

## *Reporting an Accurate Cash Balance*

The Ethics Commission must keep track of candidates' cash balances so that it can determine whether a privately financed candidate has a surplus over \$50 after the election (requiring post-election semiannual reports) and so that the Commission can calculate the amount of any Maine Clean Election Act funds that must be returned after the election.

In the current reporting form, campaigns must report the cash balance on Schedule G. After each report is filed, the Commission will calculate the total of the individual receipts reported by the campaign minus all of the campaign's individual disbursements. If this amount does not equal the cash balance reported on Schedule G, the Commission will ask the campaign to amend its reports so that the two amounts are reconciled.

## *HELP!*

Please telephone the Commission staff at 287-4179 if you have questions about how to complete the reports.

## **Instructions for Each Schedule**

### **Cover Page**

Please provide all of the contact information requested for the candidate and treasurer. If any of the contact information has changed since the previous report, please check the box provided.

### *Required Signatures*

Both the treasurer and candidate are required to sign the report, in order to certify that the report is complete and accurate. If the treasurer is unavailable, the deputy treasurer may sign the report instead of the treasurer. For more information about changing a treasurer or deputy treasurer, please see the FAQ section at the end of these instructions.

### **Post-Primary Cash Balance Page (only for report due July 20)**

In order to determine candidates' eligibility to receive matching funds, every legislative candidate must disclose his or her campaign account balance as of June 8, 2004.

### **Schedule A: Cash Contributions**

The campaign must report the following information regarding every contributor giving more than \$50 for the election:

- the date on which the contribution was received by the campaign
- the contributor's name and address
- the contributor's occupation (for individuals only)
- the contributor's principal place of business, *i.e.*, employer (for individuals only)
- the type of contributor (using the key codes provided)
- the amount of the contribution
- the total amount received from the contributor for the election.

### *Contributor Employment Information*

For every contribution by an individual that is greater than \$50, the campaign is required to report the individual's occupation and principal place of business. The Commission interprets "principal place of business" to mean the contributor's employer. Please see the FAQ section for more information on this requirement.

### *Loans that have been Forgiven*

A loan to the campaign that has been forgiven by the lender is considered a cash contribution. The forgiven loan should be disclosed in two places on the report: (1) as a cash contribution on Schedule A, and (2) as a forgiven loan in column 3 of Schedule C.

### *Contributions of \$50 or Less*

If a contributor has given \$50 or less for an election, the contribution does not need to be itemized. The total of these contributions is reported on Schedule A (Summary).

**Schedule A (Summary): Summary of Cash Contributions**

1. Add the total of the Line 1 entries from all Schedule A pages and enter that amount in the TOTAL ALL SCHEDULE A PAGES box. Please indicate the number of Schedule A pages included in the total.
2. Enter the total amounts for each of the six individual key code categories from all Schedule A pages in their appropriate blocks on Schedule A (Summary). Add these totals together, and enter the sum in the "TOTAL ALL KEY CODES" box.
3. As a check on your arithmetic, please compare the TOTAL ALL SCHEDULE A PAGES box at the top of the page and the TOTAL ALL KEY CODES box. If the amounts are not the same, recheck the totals for all Schedule A pages and for each individual Key Code block.
4. Transfer the amount in the TOTAL ALL KEY CODES box to Schedule G, line 2(a), column 2.
5. Please enter the total of all cash contributions of \$50 or less. Transfer the amount to Schedule G, line 2(b), column 2.

**Schedule A-1: In-Kind Contributions**

In-Kind Contributions are goods and services (anything of value other than money) donated to your campaign, including goods and services that have been paid for directly by sources other than campaign funds.

Complete Schedule A-1 in the same manner as Schedule A, except that instead of entering amounts of cash contributions, enter a description of any goods, services, facilities, or discounts that the campaign has received, and the fair market value of the contribution.

*Purchases made by the Candidate with Personal Funds*

If the candidate has purchased goods and services for the campaign and does NOT expect to be reimbursed by the campaign, please report these purchases as in-kind contributions on Schedule A-1 and NOT as expenditures on Schedule B. In the description column, please describe the goods purchased and the payee (e.g., "purchase of computer paper at Staples"). For more information on how to report purchases made by the candidate, please read about this topic in the FAQ section.

*Reporting Fair Market Value*

The campaign is required to report the fair market value of goods and services that have been donated (or paid for) by a contributor. The contributor should be able to provide the campaign with the actual or estimated value of the goods and services. If the campaign is unable to obtain the fair market value from the contributor, the campaign should estimate the fair market value based on what a reasonable person would pay for similar goods or services.

## **Schedule A-1 (Summary): Summary of In-Kind Contributions/Expenditures**

Complete Schedule A-1 (Summary) in the same manner as Schedule A (Summary) (please see instructions on the previous page).

**Please note:** in-kind contributions must be accounted on the summary schedule (Schedule G) twice, because they represent both receipts and expenditures. Therefore, transfer the amount in the TOTAL ALL KEY CODES box to Schedule G, line 2(c), column 2 (contributions) and line 7(f), column 2 (expenditures). Transfer the total of in-kind contributions of \$50 or less to Schedule G, line 2(d), column 2 (contributions) and line 7(g), column 2 (expenditures).

## **Schedule B: Expenditures**

For each payment made during the reporting period (except for loan repayments), enter the date on which the expenditure was made, the name of each payee, and the amount of each expenditure in one of the four general categories noted (general operations, advertising, printing/postage, or salaries/compensation). If the expenditure does not fit into one of those categories, list the amount under “Other” and explain the purpose of the expenditure in the “Remarks” box. Use “Remarks” to explain any other entry that may not clearly disclose the recipient or the purpose of the expenditure. On each page of Schedule B, enter on line 1 the total for each of the five purpose columns.

### *Purchases made by Candidate with Personal Funds*

Please see the FAQ section regarding how to record purchases made by the candidate from his or her personal funds.

### *Please Do Not Include*

Do not list loan repayments on this Schedule. Report loan repayments on Schedule C only.

Do not list unpaid debts or obligations on this schedule. Schedule B should be used only for payments that were actually made during the reporting period. Report unpaid debts and obligations on Schedule E.

### *Last Page Only*

On line 2 of the last of the Schedule B pages, enter the totals of the line 1 amounts from the previous Schedule B pages. On line 3, add the amounts on lines 1 and 2 for each category. As indicated, transfer these amounts to Schedule G.

## **Schedule C: Loans, Repayments of Loans, and Forgiven Loans**

Loans received by the campaign are reported on Schedule C, along with loan repayments and loans that are forgiven by the lender. Schedule C is cumulative for the entire campaign: all loans received during the campaign should be reported on Schedule C.

Loans are subject to the \$250 per election limit, except for loans from the candidate, the candidate’s spouse, or financial institutions.

For each lender, please enter:

- the balance of the loan at the end of the last reporting period (column 1)
- any new amounts provided by the lender in the current period (column 2)
- any amounts repaid or forgiven this period (column 3; please indicate whether the amount was repaid or forgiven)
- the amount unpaid at the end of the current period (column 4).

*Reporting that a Loan has been Forgiven by a Vendor*

A forgiven loan constitutes a monetary contribution to the campaign. Please report a forgiven loan in two ways: (1) on Schedule C in column 3; and (2) as a cash contribution on Schedule A. If the forgiven loan is reported in this manner, the account balance on Schedule G will work out correctly.

*Reporting the Campaign's Repayment of a Loan*

Please report the repayment of a loan on the appropriate line of column 3 on Schedule C. **Do not report loan repayments as an expenditure on Schedule B.**

*Expenditures made by the Candidate with Personal Funds*

If a candidate makes a purchase on behalf of the campaign and intends to be reimbursed in a later reporting period, the campaign's debt to the candidate should be reported on this schedule as a loan from the candidate to the campaign (in addition, the candidate's payment should be reported as an expenditure on Schedule B). If your campaign is in this situation, please read about this topic in the FAQ section.

**Schedule D: Pledges**

A pledge must be reported when the campaign receives a promise or agreement to receive a future contribution, but the contribution has not yet been received by the end of the reporting period. Do not transfer any information from this schedule to Schedule G.

**Schedule E: Total Outstanding Bills (Debts Other Than Loans)**

When a campaign promises or agrees to make an expenditure and the payment has not been made by the end of the reporting period, the unpaid debt must be reported on Schedule E. For example, if a campaign placed an order for advertising or literature which was not paid for during the reporting period, the debt should be listed on Schedule E. In a future report, when the debt is paid, enter the payment as an expenditure on Schedule B and discontinue reporting the debt on Schedule E.

Throughout the campaign, continue to list every debt that has not been paid by the end of the reporting period, even if the debt has been listed on previous reports.

If the campaign has not received a bill that shows the precise amount due, campaigns should make a good faith effort to obtain from the vendor the fair market value of the unpaid goods and services. If that information is unavailable from the vendor, please estimate the fair market value of the goods and services.

Do not transfer any information from this schedule to Schedule G.

## Schedule F: Campaign Equipment/Property Inventory

On this schedule, please list equipment and property that may be converted to personal use, such as a computer, mobile telephone, photocopier, or telephone/fax. Do not include items that are of value only to the campaign, such as signs, campaign literature, stationery, *etc.*

In Part I of the Schedule, please list all equipment and property convertible to personal use that is owned by the campaign at the end of the reporting period.

In Part II, please list all equipment or property that was sold or transferred during the reporting period. Please transfer the income from the sale of equipment or property to Schedule G as indicated.

## Schedule G: Summary Section (Page 1)

This schedule summarizes the financial activity from your previous reports and the current reporting period:

Column 1: Activity for the entire campaign through the last reporting period

Column 2: Activity for the current reporting period

Column 3: Total campaign activity to date

### *Line 1*

Enter on Line 1 any account balance you have brought into your 2004 campaign from a 2002 or earlier campaign. **Do not use this line for carrying a cash balance forward from one reporting period to the next period within the 2004 election cycle.** If you have any questions regarding these instructions, please telephone the Commission staff at 287-4179.

### *Column 1*

In column 1, please copy the information from column 3 of your last report. If the current report is your first report for the election cycle, please leave this column blank (except for any account balance brought forward from a previous campaign, which should be filled in).

### *Column 2*

Column 2 summarizes your financial activity during the CURRENT reporting period:

- *Contributions, Loans, and Sales of Campaign Equipment/Property*  
Enter in the boxes in column 2 the amounts requested from Schedules A (Summary), A-1 (Summary), C, and F. Calculate the total contributions on line 2(e) and the total loans on line 3(d).
- *Interest Earned and Other Receipts.* Enter on line 5 any other receipts that have not been included elsewhere in the report, such as interest earned on a bank account.

Add lines 2(e), 3(d), 4, and 5, and enter the total on line 6.

### *Column 3*

Column 3 represents the campaign totals to date for each category. For each line, add the amounts in columns 1 and 2, and enter the total for each line in column 3. If this is your first report for this campaign, the amounts in columns 2 and 3 will be the same (except for any account balance from a previous campaign in line 1).

## **Schedule G: Summary Section (Page 2)**

The second page of Schedule G summarizes the payments made by your campaign, including campaign expenditures and loan repayments. In-kind contributions are considered expenditures as well, because they represent goods and services paid for by others instead of your campaign.

### *Column 1*

Column 1 represents the expenditures made by your campaign through the last reporting period. In column 1, please copy the information from column 3 of your last report. If the current report is your first report for the 2004 election cycle, please leave this column blank.

### *Column 2*

Column 2 summarizes financial activity during the CURRENT reporting period. Enter the amounts from Schedules B, A-1 (Summary), and C as indicated in each box. Calculate the totals as indicated. Subtract the amounts in line 9 from line 6, and enter the difference in the box on line 10. This amount should represent your NET cash-in or cash-out for the current reporting period.

### *Column 3*

Column 3 represents the campaign totals to date for each category. For each line, add amounts in columns 1 and 2, and enter the total for each line in column 3. If the current report is your first report for this campaign, the amounts in columns 2 and 3 will be the same.

### *Reconciling the Reported Cash Balance to the Actual Cash Balance*

Line 10 of Column 3 should accurately state your account balance at the time you file the report. The Ethics Commission must keep track of candidates' cash balances so that it can determine whether a privately financed candidate has a surplus over \$50 after the election (requiring post-election semiannual reports), and the Commission can determine how much public funds (if any) Maine Clean Election Act candidates must return after the election.

If there is a discrepancy between your actual cash balance and the amount in line 10, column 3, please consider the following:

- Did the candidate make an expenditure that was not reimbursed by the campaign? (Please see the topic in the FAQ section.)

- Has your bank provided you with interest or charged you fees?
- Could your arithmetic within the current report be mistaken?
- Could the discrepancy be from a previous report rather than your current report?

If necessary, please amend the current or previous reports so that the reported cash balance reflects your actual cash balance. Please call the Commission staff at 287-4179 if you have any questions.

## **Frequently Asked Questions (FAQs)**

### **Can the candidate sign a campaign finance report in place of the treasurer?**

Every candidate must appoint a treasurer who is reported on the candidate's registration form. The candidate may serve as the treasurer. The treasurer must sign every campaign finance report in order to certify that the report is complete and accurate. The Election Law permits a candidate to appoint a deputy treasurer who may sign campaign finance reports if the treasurer is unavailable. Some candidates find it helpful to appoint themselves as the deputy treasurer. If a treasurer is unavailable to sign a report by a filing deadline, to avoid a civil penalty the candidate may submit an amended registration form adding the candidate as the deputy treasurer, so that the candidate may sign the report in place of the treasurer.

### **How does the campaign report purchases made by the candidate from the candidate's personal funds?**

If the candidate has made campaign purchases from his or her personal funds, and the campaign has reimbursed the candidate during the reporting period, simply report the purchase as an expenditure on Schedule B. Please list the seller of the goods and services (not the candidate) as the payee, and please note in the remarks column that the candidate made the expenditure and was reimbursed by the campaign.

If the candidate does not expect to be reimbursed for the purchase, the campaign should report the transaction as an in-kind contribution on Schedule A-1 and NOT as expenditure on Schedule B. In the description column on Schedule A-1, please describe the goods purchased and the payee (*e.g.*, "purchase of computer paper at Staples").

If the candidate expects to be reimbursed for the purchase in a later reporting period, the treasurer should report the candidate's purchase as an expenditure on Schedule B and as a loan by the candidate on Schedule C. When the campaign reimburses the candidate in a later reporting period, please report this as a repayment of a loan in column 3 of Schedule C.

### **Why does a campaign have to report the contributor's employer and address?**

For every individual contributor that donates more than \$50 to a campaign, the Election Law requires the candidate to report the individual's occupation and principal place of business. The Commission interprets 'principal place of business' to mean the contributor's employer. The law also requires the address of every contributor that gives more than \$50 to the campaign. Campaigns are required to make a good faith effort to



obtain the contributor's employment and address information. If the campaign has made a good faith effort to get the information from the contributor, but is unable to collect the information, please note this on Schedule A. If the contributor employment or address information is left blank, the Commission will consider the report incomplete and will send a follow-up letter to the campaign to request the information.

**What is the maximum amount a contributor may give to a campaign?**

A contributor may give a maximum of \$250 to a legislative or county candidate for each election. The primary and general elections are considered separate elections, so a contributor may give \$250 for the primary election and another \$250 for the general election. These limits cover both monetary and in-kind contributions. The only contributions that are exempt from the limits are those made by the candidate and the candidate's spouse.

**Are loans subject to the contribution limit?**

Loans are subject to the \$250 per election limit, except for loans from the candidate, the candidate's spouse, or financial institutions.

**How does the campaign report unpaid debts?**

If a campaign orders a good or service (*e.g.*, advertising or literature) but has not paid for the good or service by the end of the reporting period, the debt should be reported on Schedule E. The campaign should continue reporting the debt on Schedule E, until it is paid. When the campaign pays for the good or service in a later reporting period, the campaign should discontinue reporting the debt on Schedule E and should report the payment as an expenditure on Schedule B.

**When a lender forgives a loan previously made to the campaign, how does the campaign report the forgiving of the loan?**

A forgiven loan is a monetary contribution to the campaign. Please report the forgiveness of a loan in two ways: (1) in column 3 of Schedule C, and (2) as a cash contribution on Schedule A. If the forgiven loan is reported in this manner, the account balance on Schedule G will work out correctly.

**How does the campaign report the repayment of a loan?**

Please report the repayment of a loan in column 3 of Schedule C. Do not report the loan repayment as an expenditure on Schedule B.

**What are the penalties for filing a report late?**

If a campaign files a report late, the Election Law requires the assessment of a penalty that is based upon three factors: (1) the number of days the report is filed late; (2) the amount of financial activity reported late; and (3) whether the campaign has filed reports late previously. *See* 21-A M.R.S.A. Section 1020-A (4). Late penalties may also be assessed when a report is filed late for a period in which there was no financial activity. When the Commission staff believes that a penalty is owed, it will notify the campaign in writing. The campaign may request a waiver of all or part of the proposed penalty by submitting a written request or by making a presentation to the members of the Commission. The Commission staff does not have the discretion to grant waivers of penalties.

**How does the campaign report interest on bank accounts?**

Campaigns that receive interest from financial institutions on money deposited in bank accounts should report that income on line 5 (other receipts) of Schedule G.

**How does the campaign report fees charged by a bank?**

Bank fees should be reported as expenditures on Schedule B.

**What if a campaign has money left over after the election?**

If a candidate has unspent campaign funds of more than \$50 (or a debt or loan of more than \$50) when the candidate files the report due 42 days after the candidate's final election for 2004, the candidate file semiannual reports every July 15 and January 15 until the surplus or debt has been disposed of. For general election candidates, the first report will be due July 15, 2005. For unsuccessful primary election candidates, the first report will be due January 18, 2005.

**How does the campaign report the contribution of goods to be sold at an auction?**

County and legislative campaigns may not accept a contribution of goods to be sold at an auction if they are worth more than \$250 per election. Please call the Commission staff at 287-4179 for advice on how to report a contribution of goods to be sold at an auction.

**What if the campaign has debts or loans from a previous campaign that it wants to carry forward to the current campaign?**

Please telephone the Commission staff at 287-4179 to receive advice on this question.